Effect of increase in the value of rupee on textile industry

†775. SHRI LALIT KISHORE CHATURVEDI:
DR. GYAN PRAKASH PILANIA:

Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the textile industry has been adversely affected due to increase in the value of rupee as compared to dollar;

(b) if so, the percentage of decline in exports and the number of industrial units whose production has declined and by what amount;

(c) whether it is also a fact that technology has not been updated *vis-a-vis* technological changes in cloth production units and this situation has arisen due to non-competitiveness of obsolete technology; and

(d) whether there is any scheme for updation of sick mills and affected units?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) The Government is seized of the submissions of textiles export promotion councils and trade associations, which attribute the decline in India's textiles exports to the recent appreciation of the Indian rupee *vis-a-vis* the US dollar. As per the data generated by the Directorate General of Commercial Intelligence & Statistics, Kolkata, India's textiles exports during April-October, 2007-08 have declined by 9.96% in rupee terms, and increased by 1.49% in US dollar terms, over the corresponding period of 2006-07.

(c) Absence of application of modern technology in the sector has been a handicap to the Indian textiles and clothing industry. To address this situation, Government launched the Technology Upgradation Fund Scheme (TUFS) in 1999, to facilitate the modernization and upgradation of the indusry in the organized and unorganized sectors. This Scheme has been successful in generating significant investment for modernization and upgradation of the Indian textiles sector in recent times.

(d) Government is actively pursuing a policy regime that facilitates the growth and development of Indian industry. It has initiated a number of steps to revive sick industrial units which, *inter-alia,* include, issue of guidelines by the Reserve Bank of India to banks, the amaigamtion of sick units with healthy units etc. The Government has set up the Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Social Provisions) Act. A Debt Restructuring Package was introduced in September, 2003, to restructure high cost debts of textiles units to help them to overcome their unsustainable debt burden.

Sops to textile industry in wake of rupee appreciation

776. SHRI MAHENDRA MOHAN: Will the Minister of TEXTILES be pleased to state:

(a) whether textile industry is not satisfied with Government's recent sops and wants refund of State level duties and moratorium on payment of term loans to meet the challenges posed by appreciating rupee;

(b) if so, Government's reaction thereto; and